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EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Financial Report

Year Ended January 31, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date AUG 11 1999

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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MANAGEMENT LETTER

Mr. Gervis Lafleur, Executive Director
and Members of the Board of Directors
Evangeline Community Action, Inc.

During our audit of the financial statements of the Evangeline Community Action, Inc. for the year ended January 31, 1999, the following item was noted:

Regarding the Headstart program, a listing should be maintained of all children served who meet the disability guidelines in order to determine if the 10% disability requirement is being adhered to.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing any suggestions, please feel free to contact us.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 1, 1999

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Independent Auditors' Report

Mr. Gervis LaFleur, Executive Director, and
Members of the Board of Directors
Evangeline Community Action, Inc.

We have audited the accompanying statement of financial position of the Evangeline Community Action, Inc. (a nonprofit organization) as of January 31, 1999, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the management of Evangeline Community Action, Inc. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Evangeline Community Action, Inc., as of January 31, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated July 1, 1999, on our consideration of Evangeline Community Action Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, contracts, regulations and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Evangeline Community Action, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the financial information listed as "Supplemental Information" in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 1, 1999

FINANCIAL STATEMENTS

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Statement of Financial Position
January 31, 1999

ASSETS

Current assets:

Cash	\$108,276
Due from governmental units	<u>103,070</u>
Total current assets	211,346

Fixed assets at cost - less accumulated depreciation of \$313,113	<u>102,316</u>
--	----------------

Total assets	<u><u>\$313,662</u></u>
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LIABILITIES AND NET ASSETS

Liabilities -

Current liabilities:

Cash overdraft	\$ 64,996
Accounts payable	33,718
Accrued liabilities	14,996
Deferred revenue	<u>75,031</u>
Total current liabilities	<u>188,741</u>

Net assets -

Unrestricted net assets:

Operations	22,605
Fixed assets	<u>102,316</u>
Total unrestricted net assets	<u>124,921</u>

Total liabilities and net assets	<u><u>\$313,662</u></u>
----------------------------------	-------------------------

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Statement of Activity
For the Year Ended January 31, 1999

	Unrestricted		Total
	Operations	Fixed Assets	
Support:			
Government grants	\$1,920,744	\$ -	\$1,920,744
Donated services and facilities	275,668	-	275,668
Miscellaneous income	104	-	104
Total support	<u>2,196,516</u>	<u>-</u>	<u>2,196,516</u>
Expenses:			
Program services -			
Heat crisis	132,419	-	132,419
LIHEAP	88,525	-	88,525
CLECO Energy Grant	13,079	-	13,079
Migrant	13,090	63	13,153
Food services	140,115	-	140,115
Commodities	71,027	-	71,027
Community Services Block Grant	112,090	-	112,090
Headstart	1,328,599	32,373	1,360,972
Summer child care	237,582	-	237,582
Total expenses	<u>2,136,526</u>	<u>32,436</u>	<u>2,168,962</u>
Change in net assets	<u>59,990</u>	<u>(32,436)</u>	<u>27,554</u>
Other changes in net assets:			
Additions to fixed assets	(49,558)	49,558	-
Miscellaneous	(420)	-	(420)
Total other changes	<u>(49,978)</u>	<u>49,558</u>	<u>(420)</u>
Net unrestricted assets, beginning	<u>12,593</u>	<u>85,194</u>	<u>97,787</u>
Net unrestricted assets, ending	<u>\$ 22,605</u>	<u>\$102,316</u>	<u>\$ 124,921</u>

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Statement of Functional Expenses
Year Ended January 31, 1999

	Heat Crisis	LIHEAP	Cleco Energy Grant	Migrant Program	Food Services Program	Commodities	Community Services Block Grant	Head Start Program	Summer Child Care	Total
Salaries	\$ 5,381	\$ 5,750	\$ 638	\$ 9,379	\$ 15,000	\$ -	\$ 88,259	\$ 653,651	\$ 185,522	\$ 963,580
Contract labor	-	-	-	-	-	3,458	-	-	-	3,458
Payroll taxes	412	473	49	1,134	1,542	-	7,977	70,685	21,729	104,001
Retirement	-	-	-	-	-	-	-	12,097	-	12,097
Total salaries and related expenses	5,793	6,223	687	10,513	16,542	3,458	96,236	736,433	207,251	1,083,136
Dues	-	-	-	-	-	-	1,065	-	-	1,065
Energy assistance	125,588	81,448	12,349	-	-	-	-	-	-	219,385
Food and nutrition	-	-	-	-	122,145	67,485	1,397	11,531	8,653	211,211
Gardening	-	-	-	-	-	-	1,999	-	-	1,999
Cooling	-	-	-	-	-	-	1,988	-	-	1,988
Enrichment	-	-	-	-	-	-	-	-	6,747	6,747
Indirect costs	-	-	-	187	-	-	-	-	-	187
Insurance	-	-	-	-	-	-	489	103,318	2,572	106,379
Contributed services and facility costs	-	-	-	-	-	-	-	275,668	-	275,668
Licenses and permits	-	-	-	-	-	-	-	4,703	-	4,703
Medical and dental	-	-	-	-	-	-	-	11,214	-	11,214
Miscellaneous	-	184	-	64	12	-	45	6,936	-	7,241
Parent involvement	-	-	-	-	-	-	-	1,559	891	2,450
Printing/advertising	-	-	-	-	-	-	-	556	-	556
Professional fees	-	414	-	-	668	84	585	5,595	752	8,098
Rent	-	-	-	-	-	-	2,400	30,150	420	32,970
Repairs and maintenance	-	-	-	-	-	-	-	31,587	-	31,587
Seminars and workshops	-	-	-	559	-	-	-	16,634	-	17,193
Supplies and materials	628	148	-	974	-	-	593	45,114	3,855	51,312
Telephone	-	-	-	-	-	-	3,412	10,948	78	14,438
Travel	410	108	43	793	748	-	-	23,932	3,025	29,059
Utilities	-	-	-	-	-	-	1,881	12,721	3,338	17,940
Total expenses before depreciation	132,419	88,525	13,079	13,090	140,115	71,027	112,090	1,328,599	237,582	2,136,526
Depreciation expense	-	-	-	63	-	-	-	32,373	-	32,436
Total expenses	\$132,419	\$88,525	\$13,079	\$13,153	\$140,115	\$71,027	\$112,090	\$1,360,972	\$237,582	\$2,168,962

The accompanying notes are an integral part of this statement.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Statement of Cash Flows
For the Year Ended January 31, 1999

Cash flows used for operating activities:	
Change in net assets	\$ 27,134
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	32,436
Increase in grant receivable	(49,684)
Decrease in other receivables	420
Decrease in accounts payable	(24,590)
Increase in accrued liabilities	1,310
Decrease in due to governmental units	(94)
Increase in deferred revenue	<u>8,288</u>
Net cash provided by operating activities	(4,780)
Cash flows from investing activities:	
Purchase of equipment	<u>(49,558)</u>
Net decrease in cash and cash equivalents	(54,338)
Cash, beginning of period	<u>97,618</u>
Cash, end of period	<u><u>\$ 43,280</u></u>

The accompanying notes are an integral part of this statement

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

A. Nature of Activities

Evangeline Community Action, Inc. (The Agency) is a non-profit organization which was organized on February 25, 1965, and which shall continue in existence for a period of 99 years from that date unless dissolved earlier. It receives grants from federal and state governments to conduct various community service programs, and its primary purpose is to better the conditions under which people in the Evangeline Parish area live.

B. Financial Statement Presentation

Evangeline Community Action, Inc. has adopted the provisions of Statements of Financial Accounting Standards No. 117, "Financial Statements of Not-for-Profit Organizations". Statement No. 117 requires Evangeline Community Action, Inc. to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the agency is required to present a statement of cash flows.

C. Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

D. Fixed Assets and Depreciation

Fixed assets are recorded at cost. Depreciation of fixed assets is calculated on the straight-line basis over an estimated useful life of five years. The Agency follows the practice of capitalizing all expenditures for equipment and fixtures in accordance with each programs grant guidelines.

E. Budgets

Evangeline Community Action, Inc. does not adopt budgets on a fiscal year basis. Each grant program's budget is based on its individual program year end and is approved by the program at the inception of the program. Budgetary amendments must generally be approved by the program as well.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

F. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave is accumulated at 1 1/2 day's pay per month but is not payable upon termination or resignation. Annual leave accumulates at the rate of 1 1/2 days per month after the first three months. Upon termination or resignation, a maximum of nine days can be paid to the employee. Also, only nine days can be carried over from year to year. Any liability Evangeline Community Action, Inc. might have in this regard at January 31, 1999, is considered immaterial; therefore, no liability has been recorded in the accounts.

G. Donated Services and Materials

Contributions of materials, facilities and services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These donated services and facilities were recorded at market value.

H. Statement of Cash Flows

The Evangeline Community Action Agency, Inc. considers all highly liquid investments with maturity of three months or less at the date of acquisition to be cash equivalents.

I. Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position, results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

J. Income Tax Status

The Agency qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for federal income taxes is made in the accompanying financial statements.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

K. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(2) Due From Governmental Units

Amounts due from governmental units consisted of the following at January 31, 1999:

Grant funds due from Louisiana Department of Education for Food Services Program	\$ 23,406
Grant funds due from U.S. Department of Health and Human Services for Headstart Program	<u>79,664</u>
	<u>\$103,070</u>

(3) Fixed Assets

Fixed assets at January 31, 1999 consisted of the following:

Furniture, fixture and equipment	\$193,287
Automobiles	<u>222,142</u>
	415,429
Less: Accumulated depreciation	<u>(313,113)</u>
	<u>\$102,316</u>

(4) Operating Leases

The Evangeline Community Action Agency, Inc. leases various buildings under operating leases expiring in various years. The minimum annual commitments under these operating leases are considered to be immaterial.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(5) Retirement

All employees of Evangeline Community Action, Inc. participate in the Social Security System. The Corporation and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Corporation, 7.65% by the employee). Retirement amounts are paid to the Social Security System which is responsible for administration and disbursing benefits. The Corporation has no further liability for future deficits in the system.

Employees of the Evangeline Community Action Agency, Inc. have the option of participating in a defined contribution retirement plan. The Agency's contributions are equal to 3% of the annual salary of participating employees. During the year ended January 31, 1999, the Agency's contribution to the plan totaled \$12,097.

(6) Pending Litigation

There is no pending litigation against the Evangeline Community Action Agency at January 31, 1999.

(7) Compensation Paid to Members of the Board of Directors

Members of the Board of Directors of Evangeline Community Action, Inc. receive no compensation and are reimbursed only for any expenses incurred relating to the Agency's business, which must have appropriate supporting documentation.

(8) Contributed Facilities, Services, and Materials

Contributed facilities represent the estimated fair rental value of office and storage space. The total contribution for the year amounted to \$60,905. Contributed services represent volunteer teachers, doctors, and attorneys in which the value of the service creates or enhances nonfinancial assets or the service is specialized and would otherwise be purchased if not provided by donation. Contributed services are reflected in the financial statements at the fair value of the services received which amounted to \$214,763 for the year ended January 31, 1999.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Notes to Financial Statements (Continued)

(9) Grant Revenue

The Agency's major source of revenue is grants from federal and state governmental entities. The use of these funds is restricted to the purpose set forth in the individual grant agreements. Such grant agreements are subject to review and audit by governmental agencies. Such audits could result in a request for reimbursement by the grantor for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of Evangeline Community Action Agency, Inc., such disallowances, if any, will not be significant.

(10) Year 2000 Issue (Unaudited)

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the Agency's operations as early as fiscal year 1999.

The Evangeline Community Action, Inc. has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting the commission's operations. The Agency has purchased and placed in service software and hardware believed to be Year 2000 compliant for the financial reporting system.

Because of the unprecedented nature of the Year 2000 Issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Agency is or will be Year 2000 ready, that the Agency's remediation efforts will be successful in whole or in part, or that parties with whom the Agency does business will be year 2000 ready.

SUPPLEMENTAL INFORMATION

INDIVIDUAL PROGRAMS/FUNDS

Migrant Program -

To account for federal grant funds passed through the Louisiana Department of Education to be used for programs and activities to benefit the children of migrant families in the area.

Food Services Program

To account for receipt and expenditure of federal grant funds passed through the Louisiana Department of Education for meals for needy children at Head Start locations and in private homes.

Commodities -

To account for the receipt and expenditure of federal grant funds and commodities passed through the Louisiana Department of Agriculture and Forestry to be used to distribute donated food commodities to needy households.

Community Service Block Grant -

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Department of Labor to be used for administrative and other budgeted purposes.

Head Start Program -

To account for the receipt and expenditure of funds received from the U.S. Department of Health & Human Services for Head Start, which provides educational, psychological, nutritional, medical, dental and social services to needy pre-school children in the area.

CLECO Energy Grant

To account for local funds received from CLECO for energy assistance. This is a discretionary grant.

LIHEAP Heat Crisis Energy Assistance -

To account for the receipt and subsequent use of federal grant funds passed through the Louisiana Department of Health & Human Resources to be used for the payment of home energy bills for qualifying residents of the area.

INDIVIDUAL PROGRAMS/FUNDS (CONTINUED)

Summer Child Care Program -

To account for the receipt and disbursement of federal grant funds passed through the Louisiana Department of Social Services, Office of Family Support, which provides educational, psychological, nutritional, medical, dental and social services to needy pre-school children in the area during the summer months.

Fixed Assets Fund -

To account for the fixed assets of the corporation and depreciation provided on those assets.

Payroll Fund -

The clearing account which is used for the disbursement of all payroll checks for all programs.

Payroll Tax Fund -

To account for the disbursement of state withholding taxes, unemployment taxes, and federal employment taxes.

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Combining Statement of Financial Position
January 31, 1999

	<u>Payroll</u>	<u>Tax</u>	<u>Migrant Program</u>	<u>Food Services Program</u>	<u>Summer Child Care</u>
ASSETS					
Current assets:					
Cash	\$ 153	\$17,445	\$7,413	\$ 6,657	\$74,726
Due from other governmental units	-	-	-	23,406	-
Total current assets	<u>153</u>	<u>17,445</u>	<u>7,413</u>	<u>30,063</u>	<u>74,726</u>
Fixed assets at cost - less accumulated depreciation of \$313,113	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 153</u>	<u>\$17,445</u>	<u>\$7,413</u>	<u>\$30,063</u>	<u>\$74,726</u>
LIABILITIES AND NET ASSETS					
Liabilities:					
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	99	19,209	-
Accrued liabilities	-	14,221	-	-	-
Deferred revenue	-	-	-	-	74,579
Total liabilities	<u>-</u>	<u>14,221</u>	<u>99</u>	<u>19,209</u>	<u>74,579</u>
Net assets (deficit), unrestricted	<u>153</u>	<u>3,224</u>	<u>7,314</u>	<u>10,854</u>	<u>147</u>
Total liabilities and net assets	<u>\$ 153</u>	<u>\$17,445</u>	<u>\$7,413</u>	<u>\$30,063</u>	<u>\$74,726</u>

<u>Commodities</u>	<u>Community Services Block Grant</u>	<u>Head Start Program</u>	<u>LIHEAP - Energy Assistance</u>	<u>Heat Crisis</u>	<u>CLECO Energy Grant</u>	<u>Fixed Assets</u>	<u>Totals</u>
\$ 452	\$ 161	\$ -	\$ -	\$ 846	\$ 423	\$ -	\$108,276
-	-	79,664	-	-	-	-	103,070
<u>452</u>	<u>161</u>	<u>79,664</u>	<u>-</u>	<u>846</u>	<u>423</u>	<u>-</u>	<u>211,346</u>
-	-	-	-	-	-	102,316	102,316
<u>\$ 452</u>	<u>\$ 161</u>	<u>\$79,664</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ 423</u>	<u>\$102,316</u>	<u>\$313,662</u>
\$ -	\$ -	\$64,996	\$ -	\$ -	\$ -	\$ -	\$ 64,996
-	517	13,893	-	-	-	-	33,718
-	-	775	-	-	-	-	14,996
<u>452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,031</u>
<u>452</u>	<u>517</u>	<u>79,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,741</u>
-	(356)	-	-	846	423	102,316	124,921
<u>\$ 452</u>	<u>\$ 161</u>	<u>\$79,664</u>	<u>\$ -</u>	<u>\$ 846</u>	<u>\$ 423</u>	<u>\$102,316</u>	<u>\$313,662</u>

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Schedule of Grant Revenue
Year Ended January 31, 1999

LIHEAP	\$ 87,631
Heat crisis	133,264
CLECO energy grant	13,502
Migrant	16,617
Food Services Program	145,400
Commodities	71,027
Community Services Block Grant	112,287
Headstart	1,103,433
Summer child care	237,583
	<u>\$1,920,744</u>

INTERNAL CONTROL, COMPLIANCE

AND

OTHER GRANT INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Gervis LaFleur, Executive Director
and Members of the Board of Directors
of Evangeline Community Action Agency, Inc.

We have audited the financial statements of Evangeline Community Action, Inc., (a nonprofit organization), as of and for the year ended January 31, 1999, and have issued our report thereon dated July 1, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Evangeline Community Action, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. *The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.*

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Evangeline Community Action, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Evangeline Community Action, Inc.'s ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of the board of directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 1, 1999

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Mr. Gervis LaFleur, Executive Director,
and Members of the Board of Directors
of Evangeline Community Action Agency, Inc.

Compliance

We have audited the compliance of Evangeline Community Action Agency, Inc., (a nonprofit organization) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended January 31, 1999. Evangeline Community Action Agency, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Evangeline Community Action Agency, Inc.'s management. Our responsibility is to express an opinion on Evangeline Community Action Agency, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Evangeline Community Action Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Evangeline Community Action Agency, Inc.'s compliance with those requirements.

In our opinion, Evangeline Community Action Agency, Inc. complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended January 31, 1999. We noted a certain immaterial instance of noncompliance that we have reported to the management of Evangeline Community Action, Inc. in a separate letter dated July 1, 1999.

Internal Control Over Compliance

The management of Evangeline Community Action Agency, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Evangeline Community Action Agency, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Ville Platte, Louisiana
July 1, 1999

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended January 31, 1999

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:			
Passed through State Dept. of Agriculture and Forestry - Commodities	10.550	-	\$ 71,027
Passed through State Dept. of Education, Nutrition Food Service	10.558	93-193	<u>140,115</u>
Total Department of Agriculture			<u>211,142</u>
U.S. Department of Education:			
Passed through State Dept. of Education, Migrant	84.011	99M-28-27-1	<u>13,090</u>
U.S. Department of Health and Human Services:			
Direct Program - Headstart	93.600	N/A	1,052,931
Passed through State Dept. of Employment and Training - Community Services Block Grant	93.569	98N0035, 99N0035	112,090
Passed through State Dept. of Social Services - LIHEAP/Heat Crisis	93.568	528385	220,944
Passed through State Dept. of Social Services - Headstart Summer Child Care	93.596	-	<u>237,582</u>
Total Department of Health and Human Services			<u>1,623,547</u>
Total			<u>\$1,847,779</u>

EVANGELINE COMMUNITY ACTION, INC.
Ville Platte, Louisiana

Notes to Schedule of Expenditures of Federal Awards
Year Ended January 31, 1999

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Evangeline Community Action Agency, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

(2) Headstart

In accordance with terms of the grant, the organization has expended matching contributions totaling \$275,668 during the year ended January 31, 1999.

(3) Commodities

Nonmonetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed, which amounted to \$67,485 for the fiscal year ending January 31, 1999. At January 31, 1999, the agency had no inventory of commodities remaining.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
Year Ended January 31, 1999

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements. The reportable condition was considered to be a material weakness.
3. There were no instances of noncompliance reported which were material to the financial statements, required to be reported in accordance with Government Auditing Standards.
4. No reportable conditions in internal control over major programs were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major programs.
6. The audit disclosed no findings relating to a major program required to be reported under Section 510(a) of OMB Circular A-133.
7. The major program was the U.S. Department of Health and Human Resources Headstart Program, CFDA No. 93.600.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings which are required to be reported in accordance with generally accepted Governmental Auditing Standards:

A. Compliance Findings -

There were no compliance findings to be reported in accordance with generally accepted Governmental Auditing Standards:

B. Internal Control Findings -

99-1 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of administrative personnel, the Evangeline Community Action Agency, Inc. does not have adequate segregation of functions within the accounting system.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Schedule of Findings and Questioned Costs
Year Ended January 31, 1999

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported under the above guidance.

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Summary Schedule of Current and Prior Audit Findings
Year Ended January 31, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding/ Management Letter Comment	Corrective Action Taken	Planned Corrective Action/Partial Corrective Action Taken
I.		<u>Prior Year Findings Relative to Federal Awards:</u> There were no prior year findings relative to federal awards.		
II.		<u>Prior Year Findings Required to be Reported in Accordance with Generally Accepted Governmental Auditing Standards:</u>		
A.	Unknown	Segregation of functions within the accounting system: Based upon the cost-benefit of additional personnel and the probable infeasibility to achieve segregation of accounting functions, client response deemed necessary.	No	See Corrective Action Plan
III.		<u>Management Letter Comments:</u>		
A.	1998	Regarding the Headstart program, the final 269-Financial Status Report should be filed in accordance with the prescribed time schedule provided by Headstart.	Yes	N/A
B.	1999	Regarding the Headstart program, a listing should be maintained of all children served who meet the disability guidelines in order to determine if the 10% disability requirement is being adhered to.	-	See Corrective Action Plan

EVANGELINE COMMUNITY ACTION AGENCY, INC.
Ville Platte, Louisiana

Corrective Action Plan
Year Ended January 31, 1999

Schedule of Findings and Questioned Costs - Part II, Section B, Finding 99-1:

Based upon the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of accounting functions.

Management Letter

The following procedures will be implemented:

- 1) A listing will be maintained of all children who meet the disability guidelines.
- 2) All proper documentation regarding the disability will be maintained in the child's file.